

VZCZCXRO0152
RR RUEHAG RUEHROV RUEHSR
DE RUEHUNV #0063/01 0431236
ZNY CCCCC ZZH
R 121236Z FEB 09
FM USMISSION UNVIE VIENNA
TO RUEHC/SECSTATE WASHDC 9010
INFO RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHII/VIENNA IAEA POSTS COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 04 UNVIE VIENNA 000063

SIPDIS

DEPT. FOR ISN/MNSA (DRUDOLPH AND SADAMS), DOE FOR NA-21
(PSTAPLES, KCUMMINS ILIOPULOS), NA-24 (RGOOREVICH, MGOODMAN)

E.O. 12958: DECL: 02/12/2019

TAGS: [ENRG](#) [IAEA](#) [ETTC](#) [KNNP](#) [MNUC](#) [PARM](#) [TRGY](#)

SUBJECT: IAEA: TECHNICAL COOPERATION FOR EU REGIONAL
PROJECTS ECHOES NEED FOR REFORM

REF: A) UNVIE 52

Classified By: Charge D'Affaires Geoffrey Pyatt, reasons 1.4 (b) and (d)
)

SUMMARY

¶1. (SBU) As many governments have observed, member states funding the IAEA's Technical Cooperation program should have more control and oversight over project design and implementation. The program's opacity and confounding organization were illustrated most recently in a review of Board-approved projects for the European region. A session intended to finalize work plans for each project devolved into a critique by Member States of the lack of information, design, and general project details. The IAEA explained that projects were "changeable" during the planning meeting. In this light, several European states questioned the usefulness of the meeting, the validity of the TC Project management process, and the authority of the Board approval process. These observations speak to broader systemic issues and inefficacy of TC implementation in other regions and the true writ of the Board in approving TC projects. END SUMMARY.

¶2. (U) The IAEA's Technical Cooperation (TC) Directorate for Europe chaired a February 4, 2009, Project Planning Meeting on Regional Projects. UNVIE attended in observer status. Acting TC Europe Director Oscar Acuna aimed in this meeting to conclude final work plans for eight projects treating nuclear safety, nuclear power development, and nuclear fuel. These regional projects were among the approximately 628 approved by the Board of Governors in November 2008. Mission provides here a summary of the information presented, substantive and procedural issues raised, and questions left unanswered with reference to each project.

¶3. (SBU) SAFETY PROJECTS: Nuclear and radiation safety remains the top priority for the EU regional program during the 2009-2011 TC Programme Cycle. The 2008 review stated that last year's implementation rate of safety projects was 89 percent, total disbursement was USD 691,288 out of USD 761,170 and closure was expected on all four projects from 2008 by summer 2009. Vice-Chair Manuel Recio, Section Head TCEU, noted project design has been cumbersome and "not fully efficient," with many projects being recast as "new" when they are really continuations of past projects. Recio recommended a more comprehensive approach to project design and selection maximize funding and impact. Among his suggestions were clearer separations between training of younger staff and advanced workshops for experienced staff; development of self assessment tools; and more joint activities with bilateral and multilateral partners.

¶4. (C) Project RER/9/099: Strengthening the Effectiveness of

Regulatory Authorities and Advanced Training in Nuclear Safety, est. USD 240,000. This is a follow-on activity from RER/9/084, 9/018, 9/019, 9/020 and 006- country specific workshops. IAEA staff noted that topics at workshops should be presented at a more sophisticated level. The expected outcome from this year's project is to strengthen participating states, capacity to perform regulatory activities and achieve regional harmonization. This would occur in two stages; 1) focus on support for a regulatory infrastructure and 2) focus on specific needs such as staff and facility aging, reactor construction and training. Slovakia noted that all the participating countries had already achieved stage one and wanted to know why stage one is still in the work plan. IAEA Project Manager Guo agreed it was wrong to include stage one and said most of the focus would be on stage two, specifically training of younger staff at regulatory agencies. The Czech Republic said it supports training, but an audit of training in past projects and what is needed first to avoid duplication. The Czechs also felt that "on the Job" training is not always effective due to language barriers between scientists, even traveling within Europe. Recio and Guo confirmed that any training will be given in English. Slovenia offered that each country could coordinate individualized training with the Agency. No final decision on project implementation was made but Acuna said the project will continue to focus on information exchange. (COMMENT: Most of the training planned under RER/9/099 appears to rehash previous projects' training instead of building upon prior training. The suggestion by the Czech Republic to conduct an inventory of past training is a good idea to avoid additional replication and wastage of resources. END COMMENT.)

UNVIE VIEN 00000063 002 OF 004

15. (C) Project RER/9/098: Improving Safety Management Systems and Operation Feedback, est. USD 120,000. This project will "push forward a culture of safety" and improve safety at Eastern European nuclear power plants. Project Manager Kerhoas, a Technical Officer for the Division of Nuclear Safety and Security, intends to run five workshops during 2009: 1) Safety Culture Oversight, 2) Practical Implementation of IAEA Safety Standards, 3) Operation Experience Feedback, 4) Event Analysis and 5) a Fire Protection Event. Kerhoas reminded member states that this was a new activity with no planned follow-on for the next TC Program Cycle. Recio, sensing dissatisfaction among member states, clarified that training topics would be customized as needed and that the budget is not yet final. Lithuania said that similar training was done in the Ukraine, however IAEA staff present had no recollection or institutional memory regarding this. The Czech Republic strongly suggested that safety management systems need guidelines and implementation and that this project's approach is "too general and obvious". Kerhoas was told that in the past such training was too focused on the IAEA and she is trying to be more focused during the re-design process. (NOTE: Although approved by the Board in November 2008, the project is clearly still in the design phase, with the workshop topics now being picked. END NOTE) The Czech delegation retorted that a final decision on the project was needed, but was suspicious of the curriculum altogether. TCEU Project Manager, Milorad Dusic, offered the notion that the fifth workshop on fire protection is more closely related to his project. He suggested moving the workshop to his project, however this idea received no support from member states. IAEA project staff will revisit the workshop training topics and present them to member states in individual planning meetings on February 5-6. (COMMENT: The discussion of this project clearly identifies two weaknesses within the TCEU division. First, there is a lack of communication among project managers on coordinating project themes and/or implementation. Second, this project demonstrates a certain disregard for the TACC/Board of Governors project approval process, evidenced in the Agency's practice of changing projects that are supposed to be beyond the design phase. END

COMMENT.)

16. (C) RER/9/095: Strengthening Safety Assessment Capabilities, est. USD 555,000. This project is a continuation of RER/9/087 and /088, which had seven events in 2008 and exceeded its budget by approximately USD 100,000, but reached 160 participants. The objective for the 2009-2011 project is "harmonization of safety in the region" through exchanges of regional experiences. The expected outcomes are standardized approaches to safety, training of new staff, and development of a standards manual on NPP safety. There are eleven proposed workshops for 2009. Project manager Dusic called for more active participation from member states in both attending and hosting events. He noted that all member states present at the last meeting agreed on these activities and that implementation needs to begin. Czech Republic questioned why the project was being discussed if the work plan was already agreed upon. Dusic, rather defensively, stated that he thought the project was "a waste of time but that all member states wanted this to go forward" and asked those present what they preferred to do with the project. Acuna noted that it was crucial to have a discussion about utility because it allowed for further dialogue between member states and TCEU. Acuna agreed with the Czechs that resources must be used more wisely. Recio ended the discussion by asking for more cooperation from Member States and noted that no counterparts from MS were stepping up to assist in project formation or implementation. (COMMENT: This project illustrates the uncritical automaticity that can characterize the TC Department. The project manager put a project together at the request of member states, but neither the project manager nor the participant member states have fully committed to implementing the project. The outcomes of this project will be weak unless there is more cooperation among TCEU and participating member states, leaving open the question of this money could be better spent, or even better, not spent. END COMMENT.)

17. (SBU) NUCLEAR POWER PROJECTS (NPP): Chair Acuna gave an overview of nuclear energy development projects. The average implementation rate of such projects is 92 percent. Only the Serbian project RER/4/028 had a problem with implementation in the last project cycle. Disbursement to TCEU overall last year was USD 1,652,447 out of USD 1,984,159 in available funding. The approved budget for 2009 stands at USD

UNVIE VIEN 00000063 003 OF 004

2,500,000 million, a 26 percent increase. The need for joint ventures with bilateral and multilateral partners was again stressed.

18. (SBU) RER/4/030: Strengthening Capabilities for NPP Performance and Service Life including Engineering Aspects (Phase II) Core budget of \$730,000 USD. This is a follow-on project from the last project cycle. One of the tangible results from the last project is a website of "good practices" at <http://entrac.iaea.org/I-and-C/WS PORTOROZ 2008 04>. The proposed activities for 2009-2011 regarding technical transfer are: 1) Workshop on Erosion-Corrosion; 2) Instrumentation and Control Area; 3) Strengthening Capabilities for NPP Safety; 4) Performance and Service Life; 5) Plant management for long term operation; 6) Maintenance optimization; and 7) Managing the Completion of the Delayed NPP. The upgrade activities planned for 2009 included two technical meetings with two follow-on meetings planned for 2010 and 2011. Project Manager Kang said these meetings needed further development.

19. (C) RER/0/029: Support to the Introduction of Nuclear Energy (phase II). This project is a follow on from RER/0/026, Support for the Introduction of Nuclear Power. Project Manager Ferrari gave the budget of this project for the full three year cycle, totaling 900,000 USD, noting it was much higher than the last project cycle because there

were so many requests for assistance (no comparative numbers were given). The objective of this project is to "strengthen national and regional infrastructures for planning and development of nuclear power programs" by "building synergies with regular budget programs" and integrating activities. Ferrari noted that one key goal of the project was to educate policy makers and include industry, finance and banking partners in regional workshops. There will be three stages of new missions associated with this project: 1) preliminary assessments; 2) follow-up; and 3) before a country issues a bid, invitation for new nuclear energy infrastructure.

Countries will perform their own self-assessment and then the IAEA team can consult with them at any of the three stages. Ferrari asked that member states, requests be sent in early and offered to provide a more detailed project plan via email to interested parties. (NOTE: Missonoff requested an email follow-up. END NOTE) The Czech Republic said that the workshops proposed are too elementary and asked why this is funded by international programs when it would only benefit a few specific countries. The Czech Republic noted it had requested such help from the Agency in the 1990s when starting its program and had been denied it. Guo and Acuna from the IAEA reiterated that this is for regional benefit, that technical advice is limited because of commercial interests, and that information sharing is as much about giving as receiving. No final agreement was reached on the project. (COMMENT: TCEU was not prepared or willing to provide full project details on RER/0/029, Support to the Introduction of Nuclear Energy (phase II) during the meeting.

While no final decision was made, it was clear that there is dissatisfaction among participant member states about the goals/objectives of the project. The discussion also pointed to inconsistencies in application of projects among member states which could lead to rifts among regional groups, with one feeling disadvantaged while other groups receive tailored projects. END COMMENT.)

Does the Board Really Decide?

¶10. (C) Mission noted that projects approved by the November 2008 TACC were presented as being anything but final and in some cases were not complete in design or lacked key information for work-plan development. Comments by European member states participating in the projects, while not worrisome, may lead to project revision which will have an impact on project goals, funding, and procurement. This particular planning meeting also calls into question the TACC and Board's role as approvers of projects if after the approval process is complete the TC Division consults with participant states and makes substantive changes to project design and implementation without further consultation with the TACC or Board. Mission recently proposed opening a dialogue on TC management reform (ref A) involving member states across regions and the TC Division on program management, transparency, and Performance-based results. A dialogue along these lines would also take into account the 2007 OIOS Report on the TC Division which also highlighted these weaknesses. The Mission will repeat this proposal in

UNVIE VIEN 00000063 004 OF 004

the coming "Future of the Agency" discussion round on TC, June 18-19, 2009.

PYATT